

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4695-01
BILL NO.: HB 2125
SUBJECT: Health Care; Health, Public; Hospitals; Medical Procedures and Personnel;
Mental Health
TYPE: Original
DATE: May 1, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$30,913)	(\$28,366)	(\$29,079)
Total Estimated Net Effect on <u>All</u> State Funds	(\$30,913)	(\$28,366)	(\$29,079)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health** assume this proposal would not fiscally impact their agency.

Department of Mental Health (DMH) officials state the proposal would require reporting on certain procedures to DMH. DMH states that failure to send such reports to the DMH would be a misdemeanor. It also would require DMH to analyze, audit, and monitor such procedures using the information in the reports. DMH assumes because of numerous "unknown or unclear" aspects of the proposal, it is not possible to arrive at a clear determination of costs.

DMH states that if the purpose of the proposal is to obtain purely statistical information for the purpose of tracking the prevalence of such procedures (which according to the DOH Client Abstract System (DOH CAS) exceeded 1,000 procedures in 1999), the Department would require 1 FTE clerk typist to handle the required quarterly hospital and physician survey mailings, the receipt and filing of the surveys, the entry of the required data into a database, and follow-up (written and phone) on surveys not returned. The cost included in this response is based upon this assumption.

If, however, the intent is to do the above and to perform detailed statistical/analytical and qualitative examination of the data, then two FTE research analysts would be needed. This estimate is based upon the amount of data required under this proposal, which would require significantly more information on these procedures than what is currently captured by the DOH CAS. (The DOH CAS currently requires the use of 2 FTE Research Analysts for system and data maintenance.) The DMH analysts would be reviewing over 1,000 cases for qualitative as well as quantitative data and handling phone follow-ups on reports raising questions. This would greatly increase the projected cost of the proposal.

DMH assumes if the intent of the proposal is to have a qualified "peer" review the data for indications of improper use and results of such procedures, at least one additional FTE, a physician, would be required. The information required under this proposal is not only statistical in nature but qualitative as well. This data does not lend itself to entry into an electronic system. The potential requirements of this proposal, if a peer review of the procedures is intended, would significantly increase the cost of the note.

If the intent of the proposal is the gathering and analysis of the data as written above, plus field visits to monitor and audit the hospitals and physicians which use these procedures, DMH assumes the cost and FTEs required would be significantly increased. There is currently no means available to calculate this cost.

This proposal does not give any indication what the specific purpose is for such analysis, auditing and monitoring, nor does it specify what the DMH is to do if something "out of the ordinary" were to be found from the information in the reports (which could require the hiring of attorneys to handle such legal actions). Therefore, DMH assumes the work to receive these reports, and process them according to the proposal would be strictly of a "desk" audit, analysis, and monitoring" in nature rather than "field" audit, and monitoring. For this reason DMH limited the cost of the note to 1 FTE clerk typist position. If, however, the DMH were to report violations of this proposal for prosecution by the Attorney General this might necessitate additional costs.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Costs - Department of Mental Health</u>			
Personal service (1 FTE)	(\$17,031)	(\$20,948)	(\$21,471)
Fringe benefits	(\$5,237)	(\$6,441)	(\$6,602)
Expense and equipment	<u>(\$8,645)</u>	<u>(\$977)</u>	<u>(\$1,006)</u>
Total Costs - Department of Mental Health	<u>(\$30,913)</u>	<u>(\$28,366)</u>	<u>\$29,079</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$30,913)</u>	<u>(\$28,366)</u>	<u>(\$29,079)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require mental health hospitals or facilities to submit a quarterly report to the Department of Mental Health if such facilities and physicians (on an outpatient basis)

L.R. NO. 4695-01
BILL NO. HB 2125
PAGE 4 OF 4
May 1, 2000

administer electroconvulsive therapy, psycho-surgery, or other specified therapies for the treatment of mental illness. The proposal specifies the components which would be included in the quarterly reports. Mental hospitals, facilities, or physicians who violate provisions of the proposal would be committing a misdemeanor and would be subject to a specified fine, confinement in jail, or both. The penalties contained in the proposal would apply to violations committed on or after August 28, 2000. For violations committed before August 28, 2000, current law would apply.

The department would be required to use the submitted information for the purposes of auditing, analyzing, and monitoring the use of such therapies.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Mental Health



Jeanne Jarrett, CPA
Director
May 1, 2000